



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	SB0241	Title:	Taxpayer Right to Know Act - budget database website
Primary Sponsor:	Balyeat, Joe	Status:	As Amended in Senate Finance Committee

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund	\$388,500	\$94,500	\$4,147,806	\$991,998
Other	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$388,500)</u>	<u>(\$94,500)</u>	<u>(\$4,147,806)</u>	<u>(\$991,998)</u>

Description of fiscal impact: Senate Bill 241 requires the Legislative Fiscal Division (LFD) to develop and maintain a searchable budget database website that allows the public to search, aggregate and download revenue, budget, appropriation, and expenditure information as defined in the bill.

FISCAL ANALYSIS

Assumptions:

Legislative Branch

- 1) Section 3 of SB 241 provides a definition of a “searchable budget database website” and lists the components which must be included in the database. Concerns expressed in previous technical notes 1, 2, and 5 through 8 have been addressed by amendments to the bill. Previous technical note 3, related to the availability of vendor and payee information, will be addressed in the design and cost proposal discussed below. Previous technical note 4 related to performance outcomes is reiterated in this fiscal note (#1).
- 2) Under 17-1-102(2), MCA, the executive branch is required to “...prescribe and install a uniform accounting and reporting system for all state agencies and institutions, reporting the receipt, use, and disposition of all

public money and property in accordance with generally accepted accounting principles.” In response to this requirement, the Department of Administration administers, maintains, and updates the Statewide Accounting, Budgeting, and Human Resource System (SABHRS). SABHRS collects and stores many of the data elements listed in section 3(6) of SB 241 and is, therefore, the logical data source for a public information website.

- 3) The Legislative Branch has access to data stored in SABHRS, but cannot assert itself into the system administration, development or maintenance which is under the purview of the Executive Branch and administered by the Department of Administration. Thus, to develop a public information database using SABHRS as the primary data source, the Legislative Branch would need the cooperation and participation of the Department of Administration.

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- 4) As amended, SB 241 requires the Legislative Fiscal Division (LFD) and Legislative Services Division (LSD) to prepare a business case analysis and cost proposal to implement the database requirements as defined in the bill. The proposal must be submitted to the Legislative Finance Committee and the Legislative Council prior to the 2011 legislative session for policy or budget recommendations.
- 5) The LFD will hire a project manager with the responsibility to oversee all phases of the project including the business case analysis, system design and cost proposal, development, testing, documentation, implementation, and ongoing viability of the system. The project manager would be a new 1.00 FTE at a cost of \$94,500 in each of fiscal years 2010 and 2011.
- 6) The business case analysis and definition of requirements will require approximately 6 months to complete and will involve the advisory committee established in the bill, legislators, anticipated users, and data-input agencies. The next phase, system design, will require approximately nine to twelve months to complete and will require technical system design contracted services at an estimated cost of \$294,000 (2100 hours at \$140 per hour) during the 2011 biennium. It is anticipated the system design will be able to address all requirements within SB 241 with the exception of performance outcomes discussed in technical note 1.
- 7) The business case analysis, system design, and cost proposal would be developed within the funding restriction in Section 7 of the bill.

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- 8) The business case analysis, system design, and cost proposal will come before the 2011 Legislature for funding and further direction. To implement a database that meets the requirements of SB 241, legislative action would be required to address the funding restriction in Section 7 of the bill.
- 9) The work process (development, testing, documentation, implementation) would require a combination of contracts with the software provider and the Department of Administration. Ongoing web hosting, data storage, and quarterly data updates would be obtained via contract with the Department of Administration.
- 10) Cost estimates for the 2013 biennium are based on industry estimates obtained in February 2009 and are subject to change. Final costs will be determined by industry costs at the time of implementation and policy decisions made by the 2011 legislature.
- 11) Based on preliminary assumptions about database structure and design, 2013 biennium costs would total \$5,139,804 and include the **one-time** purchase of an Oracle software data warehouse, one-time installation and implementation contracted services, and initial equipment purchases. **Annual** ongoing costs would be approximately \$1 million per year and include web hosting, data storage, Oracle software maintenance, equipment maintenance, staffing resource costs in the Legislative Branch, and increased staffing resources (3.00 FTE) within the Department of Administration.
- 12) Software updates would be required when data-source systems (SABHRS or individual agency systems) are updated or upgraded. The cost of upgrades and related programming, and equipment replacement cycles are not projected in this fiscal note.

Legislative Branch Website

13) To support the goals set out in SB 241, the Legislative Branch would modify its website to enhance public accessibility to information collected and reported by the branch. Modifications would allow the user to filter on financial information and would create a searchable page where users could find budget analysis reports published prior to each legislative session; fiscal reports published immediately following a session; reports of statewide revenue; profiles of each state agency summarizing its responsibilities, funding, and expenditures; fiscal background information on major public policy issues; fiscal information related to the state general fund; financial-compliance audit reports of all state agencies; performance and information systems audit reports of selected agencies and programs; and reports of legislative committees related to agency monitoring and oversight. Branch website modifications would require approximately 300 hours of staff time and could be completed from within existing resources.

	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	1.00	1.00	4.00	4.00
<u>Expenditures:</u>				
Personal Services	\$94,500	\$94,500	\$354,690	\$363,076
Operating Expenses	\$294,000	\$0	\$3,593,116	\$628,922
Equipment	\$0	\$0	\$200,000	\$0
Benefits	\$0	\$0	\$0	\$0
Transfers	\$0	\$0	\$0	\$0
TOTAL Expenditures	<u><u>\$388,500</u></u>	<u><u>\$94,500</u></u>	<u><u>\$4,147,806</u></u>	<u><u>\$991,998</u></u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$388,500	\$94,500	\$4,147,806	\$991,998
Other	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	<u><u>\$388,500</u></u>	<u><u>\$94,500</u></u>	<u><u>\$4,147,806</u></u>	<u><u>\$991,998</u></u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
TOTAL Revenues	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$388,500)	(\$94,500)	(\$4,147,806)	(\$991,998)
Other	\$0	\$0	\$0	\$0

Technical Notes:

1. Section 3(6)(d)(v) & (vi) – Data related to performance outcomes is not included in information gathered by state enterprise systems; the addition of anticipated performance outcomes would require substantial system changes.
2. Section 7 – The funding restriction in Section 7 was not expanded to include the new Section 6 amended into the bill by the Senate Finance and Claims Committee. Based on sponsor comments, the Legislative Branch believes this was an oversight.

Sponsor's Initials

Date

Budget Director's Initials

Date